

# EXHIBIT 1



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# Division Update Spring 2013

## DIVISION COASTAL SHIPPING TEAM WINS AT TRIAL

On January 29, 2013, a Federal jury in San Juan, Puerto Rico, convicted Frank Peake, a former executive of Sea Star Line, a Florida-based coastal shipping company, for his role in a conspiracy to fix prices, rig bids, and allocate customers for the shipment of goods between the continental United States and Puerto Rico. Peake was found guilty of conspiring to fix and raise the shipping rates charged to customers such as Walmart, Proctor & Gamble, and the U.S. Department of Agriculture's School Lunch Program. This conduct affected nearly all goods that were shipped to and from Puerto Rico during the charged period, including food, medicine, and electronics.

The guilty verdict was the culmination of months of work by the trial team, and was the latest development in the Division's coastal shipping investigation.

The Division's investigative and trial team included attorneys from two Division offices: Craig Lee, Michael Whitlock, and Natasha Smalky from the National Criminal Enforcement Section (NCES) in Washington, D.C., and Brent Snyder and Heather Tewksbury from the San Francisco Field Office. The trial team also included NCES paralegals Jaime Amrhein, Will Cuomo, Will Woska, and Emily Chi; and Scott Minning and Brenda Slater from the Division's Information Systems Support Group (ISSG). Department of Defense Agent Eugene Cho provided additional assistance.

Snyder and Lee headed the courtroom efforts, while paralegals Amrhein and Cuomo provided assistance. Behind the scenes, attorneys Whitlock, Tewksbury, and Smalky assisted in responding to defense motions and briefs, and helped adapt and develop new strategies as the trial unfolded. With the additional assistance of paralegals Woska and Chi and ISSG's Minning and Slater back in Washington, D.C., the trial team successfully presented the case to the judge and jury.

In his opening statement, Snyder emphasized the harm to customers who relied on Sea Star Line and the other implicated shipping companies to obtain essential goods from the mainland United States, and he highlighted Peake's role in the conspiracy, as the president of Sea Star Line. Snyder and Lee called three co-conspirators to the stand—all of whom admitted their participation in the conspiracy and pointed out Peake as a co-conspirator. The team also played a tape recording referencing collusion with Peake, and admitted into evidence dozens of incriminating e-mails sent between the conspirators. After seven days of testimony, the government rested. The defendant chose not to put on any evidence.

During his closing statement, Lee thoroughly reviewed and explained the evidence to the jury, while Snyder provided a rebuttal to the defense's claims. The jury returned their guilty verdict less than two full days later. Peake currently is scheduled to be sentenced on May 31, 2013.

In addition to Peake, as a result of the Antitrust Division's coastal shipping

## Division News

New Deputy Assistant Attorney General for Economic Analysis

Get to Know Some of the Division's Litigators

Division Coastal Shipping Team Wins at Trial

Cooperation Among International Antitrust Enforcement Agencies in Division Merger Challenge

Division Holds Public Workshops on Most-Favored-Nation Clauses and Patent Assertion Entities

Division Presents Former Assistant Attorney General James F. Rill with 2012 Sherman Award

Antitrust Division Honors Its Own

## Highlights

Division Challenges Anheuser-Busch InBev's Acquisition of Grupo Modelo, Merger Would Result in Consumers Paying More for Beer, Less Innovation

Municipal Bonds Investigation Yields 20 Pleas or Convictions, Including Jury Convictions Against Executives from UBS AG and General Electric Co.; LIBOR Investigation Results in RBS Paying More Than \$612 Million in Criminal Fines, Regulatory Penalties, and Disgorgement

AU Optronics Pays \$500 Million Criminal Fine for Role in LCD Price-Fixing

**Case 3:13-cr-00162-DRD Document 158-1 Filed 06/30/14****Page 3 of 3**

investigation, five individuals and three companies have pleaded guilty or have been convicted at trial. These individuals and companies have been ordered to serve sentences ranging from seven months to four years in prison and to pay more than \$46 million in criminal fines. Another former shipping executive, Thomas Farmer, was indicted on March 21, 2013, and is currently awaiting trial.

**Press Release**

January 29, 2013

**Former Executive Convicted for Role in Price-Fixing Conspiracy Involving Coastal Freight Services Between the Continental United States and Puerto Rico**

Conspiracy; Company Executive Convicted at Retrial

Automobile Parts Investigation Yields Charges Against Nine Companies and 12 Executives for Price-Fixing and Bid Rigging, Criminal Fines Total More Than \$809 Million to Date—Including a \$470 Million Fine for a Single Company

Division Files Suit to Block Bazaarvoice Inc.'s Acquisition of PowerReviews Inc.

Division's Efforts to Combat Real Estate Foreclosure Auction Fraud Yields 51 Guilty Pleas to Date—29 in Northern California, 10 in Eastern California, 10 in Southern Alabama, and 2 in North Carolina

Division Sues and Reaches Settlements with Five of the Largest Book Publishers for Conspiring to Raise E-Book Prices to Consumers—Continues to Litigate Against Apple Inc. to Restore Competition

Division Required Changes to Verizon-Cable Company Transactions to Protect Consumers, Allowed Procompetitive Spectrum Acquisitions to Go Forward

Division Sues eBay Inc. Over Agreement Not to Hire Intuit Inc. Employees

**MORE HIGHLIGHTS****Contacts**

See our [Contact Information](#) page to contact certain offices or individuals in the Division.

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